

**WASHINGTON, D.C.** - Today, Congresswoman Loretta Sanchez (CA-47) and the U.S. House of Representatives took a concrete step to restore fiscal discipline in government by voting for pay-as-you-go, or PAYGO, legislation. PAYGO will require Congress to pay for all tax cuts and new or increased entitlement spending by finding savings elsewhere in the budget. The legislation, which helped Congress turn deficits into surpluses in the 1990s, will now go to President Obama for his signature.

"PAYGO will be a key tool in our fight to restore fiscal discipline and eliminate our deficit," said Rep. Sanchez. "PAYGO will ensure that we pay for our priorities today so we do not merely pass the bill, with interest, to our children and grandchildren. Orange County families make tough choices to balance their budgets, and so should their government."

The PAYGO bill that passed the House today is similar to the statutory PAYGO law that helped turn massive deficits into record surpluses during the 1990s. These rules were allowed to expire in 2002, which contributed to the dramatic turnaround from a projected surplus of \$5.6 trillion to projected deficits of more than \$11 trillion.

Since then, House Democrats have been leading the fight to restore fiscal discipline - first by adding PAYGO to House rules upon regaining the majority in 2007. Now, working with the Senate, PAYGO will once again have the force of law. If Congress has not paid for the costs of all new policies enacted during the year, across the board cuts in non-exempt mandatory programs will be triggered. Emergency spending and certain designated programs like Social Security, Medicaid, Food Stamps, and other initiatives targeted at low-income families and veterans would be exempt from these cuts.

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